

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2969 - SB 2909**

February 4, 2010

**SUMMARY OF BILL:** Increases from 16 to 28 months the time period that prospective HOPE Access Grant recipients have to be admitted and enrolled in an eligible postsecondary institution following graduation from an eligible high school in order to be eligible for the grant.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$62,500 in FY10-11 and by \$81,500 in FY11-12.**

Assumptions:

- The Tennessee Student Assistance Corporation (TSAC) projects 476 students will be awarded the HOPE Access Grant in FY10-11.
- TSAC projects that 5.5 percent (26 students) would not enroll within the 16 months required under current law; the remaining 94.5 percent (450) are projected to enroll within 16 months of graduation.
- TSAC projects 66 percent of students not enrolling within 16 months of graduation (17) will be enrolled at eligible four-year institutions; thus receiving an annual award of \$2,750.
- TSAC projects 34 percent of students not enrolling within 16 months of graduation (9) will be enrolled at eligible two-year institutions; thus receiving an annual award of \$1,750.
- The increase of expenditures from lottery proceeds for FY10-11 is estimated to be \$62,500  $[(17 \times \$2,750) + (9 \times \$1,750) = \$62,500]$ .
- TSAC projects the retention rate for HOPE Access Grant students to be 21 percent (based on fall semester 2007 Hope Access Grant retention rate). Therefore, five students from FY10-11 are projected to retain the grant for FY11-12, with three of those students attending eligible four-year institutions and two of those students attending eligible two-year institutions.
- TSAC projects 29 additional new students for FY11-12, with 19 students attending eligible four-year institutions and 10 students attending eligible two-year institutions.
- Of the total 34 projected students for FY11-12, 22 attend eligible four-year institutions, and 12 students attend eligible two-year institutions.

- The increase of expenditures from lottery proceeds for FY11-12 is estimated to be \$81,500  $[(22 \times \$2,750) + (12 \times \$1,750) = \$81,500]$ .

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc